

**MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
August 13, 2009**

Members Present

Richard Holmes, Chairman
Kim Gay, Secretary
Norm Boyd
Inman C. English, M.D.
Hannah Heck
Sid Kirschner
Archer Rose

Members Absent

Ross Mason, Vice Chairman
Raymond Riddle

The Board of Community Health held its monthly meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Chairman Holmes called the meeting to order at 10:37 a.m.

Chairman's Comments

Chairman Holmes welcomed to the Board of Community Health three new members: Norm Boyd, Sidney Kirschner, and Hannah Heck.

Minutes

The Minutes of the July 9 meeting were UNANIMOUSLY APPROVED and ADOPTED.

Commissioner's Comments

Dr. Medows asked the board for help in getting messages out to the general public, colleagues, family and friends about the upcoming flu season. She said the upcoming flu season will be superimposed by the H1N1 Flu virus, and the Department has been planning and preparing in anticipation. Dr. Medows said the message is simple as ABC: A - Act and protect yourself by hand washing on a regular basis as well as receiving the seasonal flu shot as soon as it becomes available; B – Be considerate by staying at home if you or your children become ill; and C – Connect with your choice of health information to keep up-to- date information about the new H1N1. DCH has a web site that has information as well as most of the school districts, Georgia Department of Education, and the Centers for Disease Control (CDC). Dr. Medows said once the H1N1 vaccine becomes available, she will give the board more information about how to access it and who should access it.

Department Updates

Dr. Patrick O'Neal, State Emergency Preparedness & Response Director, began discussion on the State's preparedness efforts for pandemic. He and Dr. Medows attended the national summit at the National Institute of Health on July 9 and were asked to continue planning efforts in the states in keeping with a format that will be used across the country and world. This national framework for response has four pillars that are critical for the states to address: 1. situational awareness; 2. mass vaccination; 3. community mitigation; and 4. communication. Dr. Medows has created a SWAT team with members assigned to each of those four pillars. Dr. O'Neal described each pillar (in reverse order).

Dr. O'Neal stated that the fourth pillar, communication, may be the most important. In the early stages of the H1N1 outbreak, communication was identified as very important to the public, the provider community and the critical infrastructure community. The Department is taking extreme efforts to improve communication efforts in all those arenas across the state.

The third pillar, community mitigation, describes the responsibility of giving advice to the community based on the severity of the outbreak at the present time, but in the planning efforts the State has a responsibility to plan for a potential worsening.

The second pillar, mass vaccination, is a two-pronged approach. The seasonal flu vaccine is expected to be made available earlier in the year than in the past. It is critical to recommend to citizens across the state who are eligible to get the flu shots to do so. He says what he is hoping to avoid is a surge on the hospital and medical community. The H1N1 vaccine is expected to be released as early as October 15. He said the State must be prepared when the vaccine is released for a mass vaccination campaign that is going to involve perhaps vaccinators that are not customarily used. Mass vaccination is critical to the overall intervention in these efforts.

The first pillar, situational awareness, is surveillance of two things; 1. watching the H1N1 novel virus to see if the severity changes; and 2. the potential for this H1N1 virus becoming resistant to the standard antiviral drugs. At this time, the CDC is calling it low to moderate severity. Dr. O'Neal said the Department of Community Health is doing everything within its power to be on top of the preparation effort throughout the State of Georgia and believe these efforts will pay off. He said the Department thinks it can do a very good job, not of stopping the flu or pandemic, but mitigating the impact. That can

only be done with the knowledge and participation of folks throughout the state, and certainly with folks at the board level.

Dr. O'Neal said in the past the Public Health vaccination efforts have been offered through health departments across the state and a small percentage of the provider community. This year, private providers are being asked to come forward to help increase the number of vaccinators in that group. The State is also looking at the opportunity to use nurses and pharmacists to administer vaccinations under legislation that was passed last year which allows nurses and pharmacists to administer flu vaccines under blanket protocols. Other alternatives under consideration are utilizing paramedics, dentists and veterinarians depending on the severity level.

Dr. Jerry Dubberly, Chief, Medical Assistance Plans, presented the Physicians' Injectable Drug List Public Notice. The Board approved for initial adoption on July 9 proposed changes to the reimbursement methodology for the Physicians' Injectable Drug List to move from an Average Wholesale Price minus 11% to an Average Sales Price plus 6% as updated annually. During the public comment period, the Department received comments largely positive and supportive of the updated proposal. The comments centered around three major areas: 1. acknowledgement that the proposed change was a favorable improvement that can be supported by the majority of the respondents; 2. consideration of moving to a quarterly update versus an annual update. DCH's Physicians' Injectable Drug List reimbursement methodology update is done on an annual basis. The systems and operational processes in place are set up for annual updates. The Department agreed to have an administrative review process to look at the prices to ensure that the policies in place are appropriate and reimbursement is acceptable. The third area of concern is unintended consequences. Commenters concluded that a rate change--as little as 10%--would adversely impact the Medicaid community, decreasing or eliminating current patient's access to drugs and healthcare. The Department will monitor access to care issues and indicators of place of service shifts. Ms. Gay MADE a MOTION to approve for final adoption the Physicians' Injectable Drug List Public Notice. Dr. English SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Physicians' Injectable Drug List Public Notice is attached hereto and made an official part of these Minutes as Attachment # 3).

Clyde Reese, General Counsel, discussed additions to the notifiable disease list. The rules that were transferred from the Department of Human Resources Division of Public Health to the Department Community Health gives the authority to require health care providers and laboratories around the state to report certain diseases to the Department and county boards of health. The Department is requesting the Board's approval to add two diseases or clinical issues to the notifiable disease list. The procedure does not require any public comment; it is a matter of identifying the changes and the Board's approval to add them to the list. The two diseases are influenza-associated deaths to monitor for changes in the virulence of the H1N1 virus to determine what actions need to be taken if the severity increases, and Guillain-Barré syndrome, a potential side effect of the H1N1 vaccine. Ms. Gay asked what percentage of those receiving the vaccine experience Guillain-Barré syndrome. Dr. Medows stated that the Department does not have this data yet for this new vaccine. The purpose of adding this disease to the list is to monitor for the syndrome. Dr. English MADE a MOTION to approve the addition of influenza-associated deaths and Guillain-Barré syndrome to the notifiable disease list. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of the Addition to Notifiable Disease List memos are attached hereto and made official parts of these Minutes as Attachments # 4 and 5).

Mr. James Peoples, Executive Director, Health Improvement Programs, stated that in June the Department presented proposed changes to Georgia Volunteer Health Care Rules 111-5-1-.01, 111-5-1-.02, 111-5-1-.04, 111-5-1-.05, 111-5-1-.06 and 111-5-1-.14. Mr. Peoples said the proposed changes accomplish three things: 1. simplifies the Department's administrative process; 2. allows more flexibility in administering and managing the program; and 3. aligns the rules where possible back to the original intent of the program. A public hearing was held on July 16. The Department received no oral or written comments. Mr. Boyd asked if the Department had a feel for the magnitude of the increase in volunteers with the new rule changes. Mr. Peoples said the clinics and volunteers have stated that if the rules and processes were streamlined this would help the Department increase the number of volunteers in the program. Mr. Peoples said the plan over the next three years is to have a volunteer health care program in each county by 2012. Ms. Heck asked if the move from net to gross income calculations is consistent with other calculations. Mr. Peoples stated that this change is consistent with the legislation. Ms. Gay MADE a MOTION to approve for final adoption Georgia Volunteer Health Care Rules 111-5-1-.01, 111-5-1-.02, 111-5-1-.04, 111-5-1-.05, 111-5-1-.06 and 111-5-1-.14. Dr. English SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of Georgia Volunteer Health Care Rules 111-5-1-.01, 111-5-1-.02, 111-5-1-.04, 111-5-1-.05, 111-5-1-.06 and 111-5-1-.14 are attached hereto and made an official part of these Minutes as Attachment # 6).

Ms. Nancy Goldstein, Chief, State Health Benefit Plan, presented proposed changes to State Health Benefit Plan Rule 111-4-1-.06. The proposed change expands the opportunities for retirees over 65 years of age to make changes to their options outside of the regular annual retiree option change period. As the SHBP moves the Medicare eligible population to the Medicare Advantage Programs beginning in January 2010, the retirees have an option to opt out of a Medicare Advantage product if they are willing to pay the full cost of the coverage. This rule change allows the retiree to pick up the Medicare Advantage Plan if the retiree later wants to change to a Medicare Advantage Plan. Dr. English MADE a MOTION to approve for initial adoption State Health Benefit Plan Rule 111-4-1-.06 to be published for public comment. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken.

The MOTION was UNANIMOUSLY APPROVED. (A copy of State Health Benefit Plan Rule 111-4-1-.06 is attached hereto and made an official part of these Minutes as Attachment # 7).

Ms. Summers presented two resolutions related to the Other Post Employment Benefit (OPEB) Fund also known as the Retiree Health Benefit Fund. The Fund was created by statute several years ago to recognize future liabilities for retirees healthcare costs in the SHBP. In the past, appropriations were made available to the Department in order to begin funding that future liability. The Resolution – To Transfer all Assets form the Georgia Retiree Health Benefit Fund to the Georgia State Employees Post-Employment Health Benefit Fund and the Georgia School Personnel Health Benefit Fund, is in result of the passage of Senate Bill 122 which requires the Board to bifurcate the current Retiree Health Benefit Fund such that contributions that have been made on behalf of employees or members by certain employers are earmarked for the stated purpose. The bifurcation divides the Fund between state employees and school personnel. School personnel include teachers as well as non-certificated public school employees. The Department is proposing to the Board to divide the dollars currently in the fund based on the way the funds were contributed. Given that 80.2% of all Georgia Retiree Health Benefit Fund contributions for retiree liabilities were made on behalf of state and contract employees, 80.2% of the August 31, 2009 assets (the market value) should be moved to the Georgia State Employees Post-Employment Health Benefit fund; the remaining 19.8% should be moved to the Georgia School Personnel Post-Employment Health Benefit Fund for teachers and non-certificated public school employees. The Georgia Retiree Health Benefit Fund would be terminated. Mr. Boyd asked if the Retiree Health Benefit Fund is fully funded now or underfunded due to changes in market value. Ms. Summers said the State is in the infancy of funding long-term retiree liability. Governmental health benefit plans were not required to begin liabilities for the cost of future care until 2008. Prior to that and even today, the SHBP has been on a pay-as-you-go basis. The idea of OPEB was to first recognize future liabilities and second to begin funding the future liabilities. Unfortunately, the State of Georgia began funding the liabilities at the beginning of a recession and now funding is not available. The State will maintain a pay-as-you-go approach at this point in time.

The second Resolution – State Health Benefit Plan Employer Contribution Rates for Plan Year 2010; Directions RE Use of State Employee OPEB Fund and School Personnel OPEB Fund Assets in Plan Year 2010, accomplishes two things which are predicated on the present state fiscal crisis. Recent budget instructions required state agencies to prepare the Fiscal Year 2010 Amended Budget and Fiscal Year 2011 budget cuts of 4, 6 and 8%, as well as an immediate withhold of about 5% until plans could be submitted, vetted and approved by the Governor and General Assembly during the upcoming Legislative Session. The Department has been asked to move forward and liquidate the OPEB long-term investment fund; that is take the \$194 million contributions, cash them out of long-term investment and use those dollars to cover retiree healthcare expenses in Fiscal Year 2010. This helps the State of Georgia by reducing temporarily employer contributions, creating a savings at the agency or employer level which ultimately would be recovered by cuts to those agencies' budgets. The State has contributed since Fiscal Year 2008 \$194.6 million. As of August 5, 2009, the Division of Investment Services reported the market value is \$170.7 million. The Resolution proposes to reduce the employer contribution from 22.165% percent of payroll to 17.977% for state agencies (\$42.6 million reduction in revenues received by the Plan). Contributions from local boards of education on behalf of teachers and libraries on behalf of librarians would go from 18.534% of payroll to 15.503% of payroll (\$67.2 million reduction in revenue to the Plan). The Department of Education contributions (a fixed appropriation paid over four quarters) would decrease from \$82.2 million to \$45.6 million (\$36.6 reduction in revenue). The percent of payroll deductions would only be in effect from August to November 2009. Beginning in January 2010, the SHBP will move to a direct bill system and will bill participating employers based on the plan chosen by the member and billed on a per plan basis. In summary, there is a reduction in expense (\$170 million) because some of the expenses will be paid after the OPEB funds are liquidated and a reduction in revenue (\$146 million) which is a result of the changes in this Resolution which leaves about \$25 million. Ms. Summers said while that is good news for the Plan, the advent of furloughs will further reduce the percentage of payroll contributions. The projections are the Plan will remain fully funded with an ending balance of \$10 million as of June 30, 2010. Ms. Heck MADE a MOTION to adopt a Resolution – To Transfer all Assets form the Georgia Retiree Health Benefit Fund to the Georgia State Employees Post-Employment Health Benefit Fund and the Georgia School Personnel Health Benefit Fund and a Resolution - State Health Benefit Plan Employer Contribution Rates for Plan Year 2010; Directions RE Use of State Employee OPEB Fund and School Personnel OPEB Fund Assets in Plan Year 2010. Dr. English SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of a Resolution – To Transfer all Assets form the Georgia Retiree Health Benefit Fund to the Georgia State Employees Post-Employment Health Benefit Fund and the Georgia School Personnel Health Benefit Fund and Exhibit A and a Resolution - State Health Benefit Plan Employer Contribution Rates for Plan Year 2010; Directions RE Use of State Employee OPEB Fund and School Personnel OPEB Fund Assets in Plan Year 2010 are attached hereto and made official parts of these Minutes as Attachments # 8, #9 and #10 respectively).

Chairman's Closing Comments

Chairman Holmes said typically in August the Department presents the budget proposal, and another meeting is held later in the month to review the proposal for final adoption. This year however, the initial budget proposal will be presented at the August 27 meeting and a final vote on the budget proposal at the September meeting.

Adjournment

There being no further business to be brought before the Board, Chairman Holmes adjourned the August 13 meeting at 11:32 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____

DAY OF _____, 2009.

RICHARD L. HOLMES
Chairman

KIM GAY
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Physicians' Injectable Drug List Public Notice
- #4 Addition to Notifiable Disease List Memo – influenza-associated deaths
- #5 Addition to Notifiable Disease List Memo - Guillain-Barré syndrome
- #6 Georgia Volunteer Health Care Rules 111-5-1-.01, 111-5-1-.02, 111-5-1-.04, 111-5-1-.05, 111-5-1-.06 and 111-5-1-.14
- #7 State Health Benefit Plan Rule 111-4-1-.06
- #8 A Resolution - To Transfer all Assets from the Georgia Retiree Health Benefit Fund to the Georgia State Employees Post-Employment Health Benefit Fund and the Georgia School Personnel Health Benefit Fund
- #9 Exhibit A
- #10 A Resolution - State Health Benefit Plan Employer Contribution Rates for Plan Year 2010; Directions RE Use of State Employee OPEB Fund and School Personnel OPEB Fund Assets in Plan Year 2010